

Message Text

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ACTION FMC-04

INFO OCT-01 NEA-10 ISO-00 EB-11 CIAE-00 COME-00 DODE-00

FMC-04 INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06

TRSE-00 IO-14 DRC-01 /060 W

----- 121514

R 051127Z MAR 74

FM AMCONSUL MADRAS

TO SECSTATE WASHDC 2503

INFO AMEMBASSY NEW DELHI

UNCLAS MADRAS 0278

E.O. 11652: N/A

TAGS: ETRN, ENRG, IN

SUBJECT: REQUEST FOR BUNKER "C" PRICE QUOTATIONS

REF: STATE 038289 AND MADRAS 0076

1. FOLLOWING INFORMATION OBTAINED FROM W. GOPAL, CHIEF MARINE ENGINEER, INDIAN OIL COMPANY, MADRAS:
BUNKER OIL "C" (IN INDIAN TERMS FURNACE OIL WITH VISCOSITY RANGING FROM 1000 TO 1500 SECONDS WHICH IS SUPPLIED TO SHIPS AS FUEL OIL) IS AVAILABLE AT THE FOLLOWING SOUTH INDIAN PORTS AT RATES INDICATED BELOW: (IOC EQUATES \$1 TO RS. 8.30)

A. COCHIN:

COST \$134.19 PER LONG TON PLUS 3 PERCENT LOCAL TAXES, PLUS DELIVERY CHARGES AT THE RATE OF \$1.45 PER LONG TON SUBJECT TO A MINIMUM OF \$217.50. FOR SUPPLIES OF LESS THAN 100 TONS, DELIVERY WILL BE MADE BY TANK LORRIES FOR WHICH RS. 10 (\$1.20) PER LONG TON WILL BE CHARGED, SUBJECT TO A MINIMUM OF RS. 60 (\$7.32). NORMAL WORKING HOURS ARE 0830 HOURS TO 1700 HOURS MONDAYS THRU SATURDAYS AND IF SUPPLIES OUTSIDE THESE ARE REQUIRED, AN OVER TIME CHARGE AT THE RATE OF RS. 75 (\$9.04) PER HOUR WILL BE MADE. OVER TIME CHARGES APPLICABLE ON SUNDAYS AND OTHER PUBLIC HOLIDAYS.

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B. MADRAS:

COST \$145.89 PER LONG TON PLUS 7.35 PERCENT LOCAL TAXES AND SURCHARGE. WHEN SUPPLY IS MADE AT OIL MOORINGS BY FLOATING PIPES EXTRA CHARGES WILL BE MADE AT RULING RATE ON THE DATE OF SUPPLY. PRESENT RATE IS RS. 400 (\$48.19) EACH TWENTY-FOUR HOURS. OVER TIME CHARGES WILL BE APPLICABLE AS OUTLINED ABOVE.

C. VISAKHAPATNAM

COST \$147.69 PER LONG TON. LOCAL TAXES 3.36 PERCENT. DELIVERY CHARGES SAME AS MADRAS.

NOTE: IOC QUOTES PRICES IN LONG TONS ONLY. WHEN NECESSARY, IS SES FOLLOWING TABLE OF CONVERSION:

1 AMERICAN GALLON EQUALS 3.78533 LITERS AND 1 AMERICAN BBL EQUALS 158.984 LITERS. IOC ADDS THAT PRICES OF FUEL OIL QUOTED IN PARA A TO C ARE LIABLE FOR REVISION WITHOUT NOTICE.

2. OTHER POINTS COVERED BY GOPAL

A. WHEN A FOREIGN VESSEL SUBMITS AN INDENT FOR FURNACE OIL, THE AD HOC BUNKER OIL ALLOCATION COMMITTEE REVIEWS STOCKS ON BOARD, MAXIMUM CONSUMPTION OF SUBJECT VESSEL, AND THEN ALLOCATES BUNKERS NEEDED TO REACH NEXT PORT OF CALL HAVING BUNKERING FACILITIES. (GOI POLICY AS OUTLINED IN PARA 2 OF MADRAS 0076 OF 1/8/74 IS STILL VALID).

B. THE REGIONAL DIPLOMATIC OFFICES OF THE JAPANESE AND FRENCH MISSIONS IN INDIA HAVE SOUGHT SUPPLY GUARANTEES FROM THE INDIAN OIL COMPANY WHICH THE OIC HAS POLITELY DECLINED.

C. IN TERMS OF NUMBER OF SHIPS SERVED MADRAS LEADS OTHER PORTS IN SOUTH. COCHIN RANKS FIRST IN TERMS OF QUANTITY OF FURNACE OIL DELIVERED. THIS IS BECAUSE MOST STEAMERS MAKE COCHIN THE LAST PORT OF CALL BEFORE LEAVING INDIA.

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D. ASKED TO COMMENT ON THE RECENT NOSE-DIVE IN BUNKER OIL PRICES SOON AFTER A 600 PERCENT INCREASE IN DECEMBER (SEE REFTTEL) GOPAL SAID INDIA HAD SET PRICES AT LEVELS DESIGNED TO DISCOURAGE DEMAND BY FOREIGN CARRIERS WHEN THE OUTLOOK FOR SUPPLIES WAS AT ITS MOST UNCERTAIN.

3. GOPAL AS WELL AS LOCAL REPRESENTATIVES OF SHIPPING

COMPANIES INFORM US THAT CONTRACTUAL AND 'NON-CONTRACTUAL'
PRICES FOR BUNKER OIL ARE THE SAME SINCE THE GOI CONTROLS
THE PRICE. THEY HAVE NO EVIDENCE OF BLACK-MARKETING AS YET.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, IMPORTS, REFUELING, PRICES, STEAMSHIP LINES, PORT FACILITIES, BLACK MARKETS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MADRAS00278
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MADRAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740368/aaaacktq.tel
Line Count: 119
Locator: TEXT ON-LINE
Office: ACTION FMC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 038289 AND MADRAS 0076
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 01 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 JUL 2002 by elbezefj>; APPROVED <04 DEC 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR BUNKER "C" PRICE QUOTATIONS
TAGS: ETRN, ENRG, OCLR, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005